

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

March 28, 2007

Mr. Loy Crapo aka The Bug House 350 East 300 South Post Office Box 1113 Delta, Utah 84624

Subject: Second Request for Signatures to Certificate of Deposit (CD) Letter

Agreement and Bank Issuance of Administrative Hold Letter, Loy Crapo aka The Bug House, Fossil Lease 26068-A, ML 27618, Treasure Chest

S/027/012, S/025/025, S/023/028 Kane County, Utah

Dear Mr. Crapo:

The Division has received the signed and notarized small mine reclamation contract for the ML 26068-A, ML 27618, and Treasure Chest site, and has completed and emailed the CD Letter agreement for each site to Wells Fargo Personal Banker, Ms. Shanon M. Young, shanon.m.young@wellsfargo.com.

In order to complete the surety paperwork process, please contact Ms. Young at Wells Fargo Bank and insist the following steps are implemented:

- The bank issue an administrative hold letter for each site with the originals sent to the Division amounts are: \$8900.00, \$10,400.00, \$6000.00;
- The bank manager sign the CD Letter agreements for each site and send originals to the Division

In addition, please go to the bank and sign and date the CD Letter agreements. Please ensure the original signature pages are mailed back to the Division along with the original Administrative Hold Letters.

Failure to furnish and maintain reclamation surety may result in permit withdrawal, after notice and opportunity for board hearing, cessation of mining operations, and/or requirement to reclaim all lands affected.

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Please direct your immediate attention to these requirements. Direct inquiries and correspondence to Ms. Beth Ericksen, Minerals Surety Coordinator, (801) 538-5318 or bethericksen@utah.gov.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

aron Q. Haddock

DRH:BE:be #2 Fed Ex

cc:

Beth Ericksen, DOGM Tom Munson, DOGM

Shanon Young, Wells Fargo N.A., (shanon M.A., (shanon M.A., (<a href="mailto:sh